

THE WHITE HOUSE
WASHINGTON

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September 19, 1975

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY
PHILIP W. BUCHEN
JOHN O. MARSH, JR.

FBI Review Completed

As a result of our meeting on intelligence matters, I have decided to designate a group specifically responsible for coordinating our response to matters dealing with the intelligence community. This group will be chaired by Jack Marsh. Each of the addressees of this memorandum shall serve as a member of the group.

I expect the group to function over the next several weeks and possibly months in a manner similar to the Energy Resources Council and Economic Policy Board, that is:

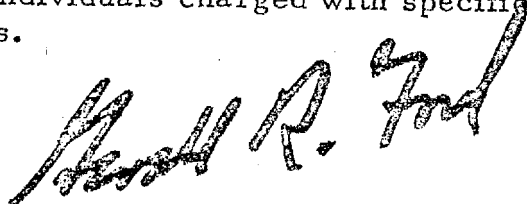
1. The group should meet daily to review problems, discuss strategy, agree on assignments and prepare issues for my decision.
2. The group will meet with me regularly, as often as twice a week, in order for me to decide issues and review progress.
3. I expect the group to produce by the middle of next week a time table of its actions over the next month including:

Due dates for decision papers;
Development of a comprehensive plan for dealing
with Congress and the press; and
Identification of individuals charged with specific
responsibilities.

DIA review completed.

NSC review completed.

DOJ Review Completed.



THE WHITE HOUSE

WASHINGTON

September 22, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: COORDINATING GROUP

FROM: JACK MARSH

The Intelligence Coordinating Group met Monday, September 22 at 8:30 a.m. in the Situation Room. Attending were: Lynn, Buchen, Marsh, Colby, Levi, Latimer, Rogovin, Scowcroft and Connor.

9:00 a.m. was selected as the meeting time on a daily basis. The question of alternate representatives was raised but a decision was deferred.

Requirements:

1. Each member was asked to write down the key issues in the current intelligence hearings as he saw them. This would be the beginning of a series of issues that would be raised for discussion in order to define the problems and present them to the President for information and decision.

2. Members were requested to inventory in their Departments and Agencies the following:

- a. Pending requests for either materials or witnesses.
- b. Materials already supplied to the Select Committees with the priority attention given to the House Committee.

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- c. Furnish a schedule of dates of pending hearings before either Committee where participation is expected, and identify subject of hearing.
- d. Prepare a log of inquiries or requests from Members or staffs working on the investigation. This will include differences that occur over access to files or allegations of non-response.
- e. Collection within the Department or Agency of briefs or other papers that set out legal opinions or precedents relating to the handling of classified materials and the Congressional right to the same. Any published Standard Operating Procedures (SOPs) should be supplied.
- f. Additionally, although it was not discussed, it is requested that there be assembled copies of correspondence sent as covering letters with materials setting out either conditions or guidance on their use. For example, the Colby letter to the House Committee dated September 3. It was suggested that all such communications should be assembled and indexed.

FOR TUESDAY: Committee Members are asked to consider for the purpose of discussion the attached paper of "proposals and alternatives" prepared by Buchen.

Additionally, for the Tuesday agenda, comments and discussion on the Colby proposal for the work assignments for the Committee.

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	COMMENT	FILE	RETURN
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Remarks: <p style="margin-left: 40px;">Attached are:</p> <p style="margin-left: 40px;">a. Draft of positions to be taken on House Select Committee documents;</p> <p style="margin-left: 40px;">b. Draft of possible statement on the issues.</p> <p>These will be discussed at the Tuesday morning interagency meeting and should be discussed at 5:30 this afternoon.</p> <p style="text-align: right; margin-right: 50px;">WEC</p>			
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NIO 2108-75

23 September 1975

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MEMORANDUM FOR: The Director

SUBJECT : Memorandum on "Implementation of
Recommendations on Intelligence,"
sent to the President on 5 September

1. As you may recall, at a morning meeting last week I mentioned the memorandum I had received from General Graham seeking my assistance in spreading the word about the proper role of military intelligence and the need for a strong military intelligence structure. (You, General Walters, and General Wilson also received virtually identical memoranda, though the one each of us received looked like an original sent only to him.) In that memorandum, Danny made reference to "materials provided the President prepared by Messrs. Buchen and Lynn" and had a quotation from these "materials," the nature of which was not further specified. In a subsequent telephone conversation I asked Danny to send me a copy of the document from which he was quoting.

2. Said document reached my desk this morning and a copy of it is attached. As you will see, it was a 5 September 1975 memorandum for the President entitled "Implementation of Recommendations on Intelligence." It is from Messrs. Buchen, Lynn and Kissinger, initialed by the first two (Henry, if possible, never initials anything to facilitate later disavowal). It is a ten-page, single-spaced document which -- as far as I can see -- had never previously been seen by anyone in this building. I am sending copies of this note and the document in sealed envelopes to the others indicated below, but will make no additional distribution pending your further instructions.

George A. Carver, Jr.,

George A. Carver, Jr.

Deputy for National Intelligence Officers

Att

cc: DDCI
DDSGT
DDO

DDA
A/DDI
D/DCI/IC

Chief, Review Staff

GACarver, Jr.:kes

Distribution:

- Original - Addressee w/att
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 - 1 - ROCKEFELLER COMMISSION w/att
 - 1 - MURPHY COMMISSION w/att
 - 1 - RI w/att

SEP 5 1975

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM:

MR. BUCHER *P.W.B.*
MR. LYNN *[Signature]*
DR. KISSINGER *[Signature]*SUBJECT: Implementation of Recommendations on
Intelligence

We have reviewed the Rockefeller Commission recommendations concerning CIA activities in the United States and the effectiveness of executive branch oversight of intelligence activities and operations. This review also addressed some of the longer range problems inherent in the present organization and structure of the Intelligence Community, including those identified in the Schlesinger Report of 1971 and in the Murphy Commission Report of June 1975.

After this review, we have concluded, and this memorandum proposes, that the major recommendations of the Rockefeller Commission for control and oversight of the CIA should be extended to all the agencies of the Intelligence Community. This memorandum also recommends other near-term actions, not addressed by the Rockefeller Commission, which you can take now to prevent future abuses and to strengthen Presidential oversight of the intelligence agencies. Next steps to address long-range changes in intelligence community structure are also identified.

BackgroundThe Role of Intelligence

The purpose of foreign intelligence is to provide you and other policymakers with the information, assessments, and analytical judgments necessary to illuminate the range of policy alternatives and to enable the policymakers in Government to exercise sound decision-making.

Three important areas in assessing our intelligence programs are:

1. Public Confidence. While many intelligence activities must be conducted in secrecy, the Intelligence Community must operate in such a manner as to command the confidence of Congress and the public. The intelligence agencies and CIA, in particular, have engaged in some questionable and, in some cases, illegal activities that resulted in improper invasion upon the rights of American citizens. As a result, the confidence of the Congress and the public in the Intelligence Community has been damaged.
2. Product Quality and Timeliness. The Intelligence Community must produce a quality product and respond in a timely fashion to the needs of the consumers and the concerns of the policymakers. Continuing emphasis is required on intelligence consumer needs and improved product quality.
3. Economy and Efficiency. Intelligence is a modern world necessity requiring large resources. The Community requires the authoritative leadership and oversight necessary to resolve problems of overlap and duplication in collection, make efficient choices between new and competing systems, and adjust the balance between collection and production.

We have not attempted an in-depth review of the broad issues facing the Intelligence Community. We have focused our effort on the recent study conducted by the Rockefeller Commission and have drawn on the Murphy Commission Report and on earlier analyses such as the OMB-NSC study of 1971 (the Schlesinger Report).

Near-term Actions to Prevent Future Abuses

The major concern of immediate importance is to take the initiative in imposing stricter controls over the intelligence agencies and to demonstrate to the Congress and the public that your actions will be effective. The Rockefeller Commission Report focused on this problem of control and the prevention of future abuses. It appropriately emphasized

(1) improvements in Presidential oversight through strengthening the elements of the Executive Office of the President charged with support to you, as President, and (2) revised guidelines, either in legislation or by Executive Order, that clarify and limit the role and functions of the intelligence agencies.

We believe there is a need to act now to prevent future abuses without prejudice to later decisions affecting product quality and efficiency in the use of resources. Specific actions on Rockefeller Commission proposals, short of legislation, are proposed for your consideration. Legislative changes are precluded because of the probable delays inherent in this approach.

1. Presidential Oversight

The Rockefeller Commission specifically recommended expanding the role of PFIAB to include oversight of statutory compliance and an enlarged staff with a full-time chairman. The Murphy Commission endorsed this approach, and recommended expanded roles for the review of covert actions by the 40 Committee and of intelligence consumers' needs by the NSC Intelligence Committee. Along with the OMB, which reviews the programs and budgets of the intelligence agencies, PFIAB and the NSC are the major elements of your office currently engaged in the oversight of the intelligence agencies on your behalf.

We have developed a proposal to expand the oversight role for the PFIAB as recommended by the Rockefeller Commission. In addition, we would propose to strengthen the supervisory role of the NSC and to enhance the OMB review function. The PFIAB would be directed to extend its oversight of intelligence activities to review allegations of unlawful conduct or other improprieties. The NSC Intelligence Committee would be expanded to include the Deputy Attorney General and would conduct continuing review and supervision of the Intelligence Community on behalf of the NSC. Finally, the Office of Management and Budget would institute tighter controls over intelligence resources during financial execution of the budget and would prepare a classified budget appendix that could be transmitted to the Congress along with your regular 1977 budget submission.

Your approval of these proposals would build on the strengths of existing institutions in the executive office, could be accomplished quickly and would enhance public perception of Presidential control over intelligence activities.

Recommendation

Your advisors agree that you should:

- ° Direct the PFIAB to expand its oversight of intelligence activities to include a review of allegations of unlawful conduct or other improprieties. The Executive Order to this effect is incorporated in Tab A. Provisions for an enlarged staff, but not a full-time chairman, are included.
- ° Direct the NSC to strengthen its process for providing intelligence community guidance and supervision through an expanded NSC Intelligence Committee to include the Deputy Attorney General. Attached at Tab B is a directive to this effect.
- ° Direct the OMB to take those steps necessary to institute tighter fiscal controls of intelligence resources during budget execution and to prepare a classified budget appendix available to be transmitted to the Congress along with your regular 1977 budget submission.

We recommend that you sign the Executive Order at Tab A and the directive at Tab B.

2. Protecting Intelligence Sources and Methods

The Rockefeller Commission recommended changing the responsibility of the DCI with respect to protection of intelligence sources and methods in order to preclude improper investigatory or law enforcement functions. In a related action, the Commission recommended establishing a single point of contact for transmission of all White House staff requests to the CIA.

The agencies involved and your staffs agree with these recommendations and with extending their application throughout the entire intelligence community.

Recommendation

Your advisors agree that you should:

Issue an Executive Order limiting the DCI's responsibility for protection of intelligence sources and methods to preclude an improper investigatory or law enforcement function. Attached at Tab C is the Executive Order.

Issue a memorandum establishing a single point of contact in the NSC to clear requests for other than routine intelligence materials from within the EOP. Attached at Tab D is the memorandum.

We recommend that you sign the Executive Order at Tab C and the memorandum at Tab D.

3. Restrictions on Domestic Activities

The Rockefeller Commission proposed an Executive Order limiting CIA's collection of information about the domestic activities of U.S. citizens and the clandestine collection of foreign intelligence from Americans. There are three options with respect to Presidential guidelines restricting the conduct of domestic operations by intelligence agencies:

- (1) Issue an Executive Order establishing restrictions on the domestic activities of the CIA only, applying the standards enunciated by the Rockefeller Commission.
- (2) Issue an Executive Order applying the standards enunciated by the Rockefeller Commission to the domestic activities of the entire intelligence community.
- (3) Issue an Executive Order applying these standards to the entire intelligence community except the FBI.

The advantages of an Executive Order limited to the CIA are:

The issues involved, as well as the particular restrictions, have been extensively studied by the Rockefeller Commission and are agreed to by

the Director of Central Intelligence. Your advisors who favor this option believe that the issue raised in the case of other intelligence agencies (NSA, DIA, and the FBI) are substantially different and require additional study.

- Additional Executive Orders can be issued later as to the domestic activities of other intelligence agencies after better identifying the kinds of restrictions needed.

The advantages of an Executive Order applicable to the entire intelligence community are:

- In concluding that the CIA should not collect and analyze information on the domestic activities of U.S. citizens, the Commission recommended restrictions which most Americans would agree should be applicable to any of the secret foreign intelligence or counterintelligence agencies of the Government; there is no reason, in principle, for precluding the CIA from collecting and analyzing such information while permitting the NSA to do so.
- An Order limited to the CIA would leave your Administration open to the charge that only a small sector of a large problem has been dealt with. This is particularly true if Congress and the media continue to uncover instances of abuses similar to those involving the CIA in other intelligence agencies.
- Subsequent Executive Orders applicable to the other agencies will invite comparisons to the CIA Order; any "discrepancies" will be characterized as "glaring loopholes."
- Those of your advisors who favor this option believe it possible to frame a set of restrictions which will satisfy the American people and would not unduly restrict the other agencies engaged in foreign intelligence and counterintelligence; a comprehensive

Executive Order will probably be delayed for one or two weeks, particularly to resolve FBI objections.

The advantages of Option #3, an Executive Order applicable to all intelligence agencies except the FBI, are as follows:

- ° The FBI, which has law enforcement as well as counterintelligence functions, has been the major stumbling block in preparing an Executive Order which covers the entire intelligence community. The major problem is to develop regulations which effectively limit the FBI's counterintelligence role while not impairing its law enforcement activities. This will take several weeks to resolve.
- ° The Department of Justice has been studying the activities of the FBI for the past year, and is in the process of preparing guidelines which, when completed, might be embodied in a separate Executive Order for the FBI.
- ° An Executive Order will be issued in about one week.

If you select Option #1, we recommend that you sign the Executive Order attached at Tab E. If you select Option #2, we will prepare an appropriate Executive Order for your signature by the end of September. If you select Option #3, we will have an Executive Order for your signature by September 16.

DECISION

- _____ Option #1, recommended by Justice, the DCI, and Counsel to the President.
- _____ Option #2.
- _____ Option #3 recommended by the Vice President, the National Security Council, and the Director of OMB.

4. Penalties for Disclosure of Classified Information

The Rockefeller and Murphy Commissions both recommend legislation providing criminal penalties for persons who disclose classified information. These recommendations stem from a number of incidents in recent years - the Pentagon Papers, the Marchetti and Agee books on CIA, and newspaper columns on SALT negotiations and the Indo-Pakistan crisis. Both Commissions avoided endorsing a specific proposal because of the difficult civil liberties problems inherent in any such law. A revision to the criminal code (Title 18) has already been proposed by the Administration in the form of S.1, which includes a new section providing criminal penalties for disclosure of classified information. These provisions have been under strong attack. The American Bar Association voted against passage, and several influential Congressmen have indicated strong reservations.

Recommendation

In light of difficult problems posed by this proposed legislation, we recommend that you not endorse this recommendation at this time, but reaffirm your previous position that appropriate safeguards for classified information need to be established with due consideration for the rights of individual citizens by directing that the task group proposed in the final recommendation in this memorandum develop options for solving this critical problem.

5. Dual CIA Deputies

The Rockefeller Commission recommended the establishment of a second Deputy Director of Central Intelligence, to be confirmed by the Senate, who would directly manage the CIA, thereby freeing the Director for overall intelligence community matters. The present military deputy would be assigned the task of liaison with military intelligence. The second deputy would ease the present workload on the DCI and provide for a full-time manager of CIA's day-to-day activities. In order to carry out this recommendation, legislation revising the 1947 National Security Act would be required, and the designated Presidential appointee would require Senate confirmation.

A decision on this specific organizational proposal can be more properly made in the context of a full reexamination of the intelligence community management structure. We agree that you should direct the task group proposed in the final recommendation in this memorandum to address this proposal.

Longer-range Opportunities to
Improve Intelligence

The near-term actions recommended above will go far to improve your oversight of the intelligence community and to provide safeguards against future abuses. They will, however, with the exception of the changes proposed for the NSCIC, have little impact on achieving the other major needs to improve the quality of the intelligence product and to improve efficiency. These are also extremely important if full public trust and confidence are to be regained.

The primary problem in this regard continues to be the fragmented intelligence organizational structure. Options available for improving intelligence community management and institutional arrangements were identified in the 1971 Schlesinger Report with some variations recommended by the Murphy Commission. They are:

- ° Strengthen the role of the DCI by providing him with greater authority over the operations and resources of the intelligence agencies, by either:
 - making him an all powerful intelligence czar who has direct authority over the principal intelligence agencies and their budgets; or
 - enhancing his stature and prerogatives. This could include cabinet level rank for the DCI, full membership in the NSC, direct and regular contact with the President, and directive authority over intelligence activities.

- Increase the staff support to the Secretary of Defense and improve DOD management of all Defense intelligence resources.
- Establish a White House Coordinator for Intelligence to act as a single control point for intelligence policies, resources and guidance.
- Strengthen congressional oversight of intelligence through revisions to current committee responsibilities and additional reporting requirements.

It seems likely that almost all of these solutions will be proposed and debated in the months ahead. We believe it is essential that, as the congressional investigations proceed, the Executive Branch be prepared to advance its own proposals and to respond fully to the changes and propositions that are advanced.

Recommendation

Your advisors are agreed that there is a need to establish on a priority basis a group tasked with reviewing the major options available for improving intelligence community management and institutional arrangements. The question of a second Deputy Director of Central Intelligence should specifically be addressed. This group should develop options for legislation to protect vital intelligence information by providing criminal penalties for the unauthorized disclosure of classified information. Possible congressional initiatives should be examined. This group would be composed of full-time nominees of the Assistant for National Security Affairs, the Director of OMB, Counsel to the President, the Director of Central Intelligence, the Secretary of Defense, the Secretary of State and the Attorney General, and would complete its report by December 31, 1975.

If you approve, we will prepare for your signature a directive establishing this group.

Approve _____

Disapprove _____

• Enclosures



DEFENSE INTELLIGENCE AGENCY
WASHINGTON, D.C. 20301

U-0198/DR

MEMORANDUM FOR THE DEPUTY TO THE DIRECTOR OF CENTRAL INTELLIGENCE
FOR NATIONAL INTELLIGENCE OFFICERS

SUBJECT: Poor Understanding of the Role of Military
Intelligence


1. During the past several months of fevered activity and paper production by the various commissions and committees investigating intelligence, it has become increasingly apparent to me that there exists in Washington a dangerously inadequate understanding of military intelligence. There is a heavy emphasis on the requirements for "national" intelligence support to the very top levels in Washington with an apparent total ignorance of the fact that much that goes on in intelligence has to do with providing the Armed Forces with sufficient data in order to do their job when called upon. The latest example of this is the materials provided the President prepared by Messrs. Buchen and Lynn. Those papers contain this judgment on the role of intelligence: "The purpose of foreign intelligence is to provide you and other policymakers with the information, assessments, and analytical judgments necessary to illuminate the range of policy alternatives and to enable the policymakers in Government to exercise sound decisionmaking."

2. While in broad terms, the description of the role of intelligence quoted above might be assumed to include such folk as the brigade commanders, destroyer skippers, and the pilots of SAC bombers, it is quite obvious that the authors had no such customers for intelligence in mind. This concentration on high level intelligence support is, of course, natural for Washington-oriented people. Congressional investigative staff personnel, Rockefeller Commission and Murphy Commission personnel, as well as some of our own internal DoD users of intelligence seem unable to grasp some fundamental facts about military intelligence.

3. One fact is that the bulk of DIA manpower (as well as the Service Intelligence resources responding to DIA) is engaged in the preparation of basic intelligence pertinent to the development, training, and application of military forces rather than to the decisionmaking of the National Security Council or the President. These efforts are dull and uninteresting to the average Washington prober and get passed off with pejorative remarks about "encyclopedic intelligence."

23 September 1975

MEMORANDUM FOR:


Special Counsel to the DCI

25X1

SUBJECT : Attachment B To Your 23 September 1975
Memorandum

I have two problems with your 23 September note's
attachment b.

a. First, I think the double test outlined in
its opening paragraph is too stringent on several
counts.

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3. My suggestion, or at least my preference, would be to substitute a disjunctive "or" for your underlined "and," thus setting up two tests, either of which must be met but not necessarily both. I would also like to see "current" struck from the first test and "seriously" struck from the second.

b. As I read the memorandum it suggests a two-tiered approach where I think at least three tiers are necessary. There should be a provision for information which will not be shown to the Committee at all, such as the specific names of specific agents or details about people who have cooperated with us in any way where these details could conceivably pinpoint their identity or drastically narrow the process of search for those who would like to identify them. This thought is implicit in your language but I think it needs to be made more precise. Also, if this is possible (and politically it may well not be) I wish there could be some provision for highly sensitive information which we would be willing to make available to the Committee chairman and the ranking minority member, but not to the Committee in its entirety, or even a provision under which certain information would be made available to the actual committee but not to ~~its~~ members of its staff.

25X1

George A. Carver, Jr.
Deputy for National Intelligence Officers

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